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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

MAY 17 2010

KRISTIN K. MAYES, Chairman
 GARY PIERCE
 PAUL NEWMAN
 SANDRA D. KENNEDY
 BOB STUMP

DOCKETED BY

NR

In the matter of:

DOCKET NO. S-20648A-09-0010

ENERGETICS, INC., a Nevada corporation;

DECISION NO. 71697

STEVEN P. GIUFFRIDA and MICHELLE
GIUFFRIDA, husband and wife; andRODNEY PETERSON and VIRGINIA
PETERSON, husband and wife;

Respondents.

ORDER TO CEASE AND DESIST,
 ORDER FOR RESTITUTION, AND
 ORDER FOR ADMINISTRATIVE
 PENALTIES AND CONSENT TO SAME
 BY: RODNEY PETERSON AND
 VIRGINIA PETERSON

Respondents RODNEY PETERSON and VIRGINIA PETERSON elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order to Cease and Desist, Order for Restitution, and Order for Administrative Penalties and Consent to Same ("Order"). Respondents RODNEY PETERSON and VIRGINIA PETERSON admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit only for purposes of this proceeding and any other proceeding in which the Commission is a party the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. Energetics, Inc ("Energetics") is a Nevada corporation with a principal place of business in Scottsdale, Arizona.¹ Energetics was incorporated on or about June 28, 2006.

¹ Energetics as referenced in this Order is a different entity than an entity known as Energetics, Inc. that is incorporated with the Commission and located in Phoenix.

1 2. Steven P. Giuffrida ("Giuffrida") is an individual residing in Maricopa County,
2 Arizona.

3 3. According to Nevada Secretary of State public records, Giuffrida is listed as the
4 Secretary, Treasurer and Director of Energetics. Giuffrida became president of Energetics in October
5 2008.

6 4. At all relevant times, RODNEY PETERSON ("PETERSON") is an individual residing
7 in Arizona.

8 5. Pursuant to records of the Nevada Secretary of State, PETERSON is listed as President
9 and Director of Energetics, Inc. PETERSON stepped down as President in October 2008.

10 6. At all relevant times, VIRGINIA PETERSON has been the spouse of PETERSON and
11 may be referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S.
12 § 44-2031(C) solely for purposes of determining the liability of the marital community.

13 7. At all times relevant, PETERSON was acting for PETERSON's own benefit and for
14 the benefit or in furtherance of PETERSON and VIRGINIA PETERSON's marital community.

15 8. PETERSON may be referred to as "Respondent."

16 9. From on or about April 2008 until September 2008, PETERSON and Energetics,
17 through PETERSON, offered and sold promissory notes and royalty agreements from their office in
18 Arizona to at least three investors. PETERSON and Energetics raised at least \$100,000.

19 10. PETERSON and Energetics, through PETERSON, told two investors the funds
20 raised would be used to re-establish oil production on a lease owned by Energetics in Caddo Parish,
21 Louisiana. Energetics entered into an agreement to purchase an oil lease in Caddo Parish,
22 Louisiana for \$300,000. PETERSON, on behalf of Energetics, signed the lease agreement.

23 11. The lease included eight oil wells. PETERSON planned on using some of the
24 investor funds to fix and remediate two of the wells to get the wells producing oil. The remaining
25 six wells were "shut in," or not producing.
26

12. Two wells eventually produced oil on an intermittent basis. However, electrical issues kept those two wells from continuous production.

13. The promissory notes stated a rate of return of 11 percent for a term of one year, with principal and interest paid in one lump sum on the due date.

14. PETERSON, on behalf of Energetics, signed at least three of the promissory notes as Energetics' president.

15. The royalty agreements stated the investor would receive one-half of one percent of all production in consideration for the investment.

16. PETERSON, on behalf of Energetics, signed the royalty agreements as Energetics' president.

17. To date, at least three investors' promissory notes are due and payable. Neither investor received their principal and interest due from Energetics.

18. PETERSON resigned as president in October 2008 and Giuffrida replaced him as president of Energetics.

19. At all times relevant, PETERSON was neither registered as a dealer nor a salesman with the Commission. At all times relevant, the promissory notes and royalty agreements were not registered with the Commission.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. PETERSON offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. PETERSON violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

1 4. PETERSON violated A.R.S. § 44-1842 by offering or selling securities while
2 neither registered as a dealer or salesman nor exempt from registration.

3 5. PETERSON's conduct is grounds for a cease and desist order pursuant to A.R.S.
4 § 44-2032.

5 6. PETERSON's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
6 2032.

7 7. PETERSON's conduct is grounds for administrative penalties under A.R.S. § 44-
8 2036.

9 8. PETERSON acted for the benefit of the marital community and, pursuant to A.R.S.
10 §§ 25-214 and 25-215, this order of restitution and administrative penalties is a debt of the
11 community.

12 III.

13 ORDER

14 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent and
15 Respondent Spouse's consent to the entry of this Order, attached and incorporated by reference, the
16 Commission finds that the following relief is appropriate, in the public interest, and necessary for the
17 protection of investors:

18 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent and Respondent Spouse,
19 and any of Respondent or Respondent Spouse's agents, employees, successors and assigns,
20 permanently cease and desist from violating the Securities Act.

21 IT IS FURTHER ORDERED that Respondent and Respondent Spouse comply with the
22 attached Consent to Entry of Order.

23 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032 that Respondent PETERSON
24 and the marital community of PETERSON and Respondent Spouse shall, jointly and severally with
25 any other Respondents under Docket No. S-20648A-09-0010, pay restitution to the Commission in
26 the principal amount of \$100,000. Payment is due in full on the date of this Order. Payment shall

1 be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the
2 Commission. Any principal amount outstanding shall accrue interest at the rate of 10 percent per
3 annum from the date of this Order until paid in full.

4 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
5 records of the Commission. Any restitution funds that the Commission cannot disburse because an
6 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
7 investor because the investor is deceased and the Commission cannot reasonably identify and locate
8 the deceased investor's spouse or natural children surviving at the time of the distribution, shall be
9 disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.
10 Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be
11 transferred to the general fund of the state of Arizona.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent PETERSON
13 and the marital community of PETERSON and Respondent Spouse, jointly and severally, shall pay
14 an administrative penalty in the amount of \$10,000. Payment is due in full on the date of this
15 Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue
16 interest as allowed by law.

17 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
18 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
19 shall be applied to the penalty obligation.

20 For purposes of this Order, a bankruptcy filing by Respondent or Respondent Spouse shall
21 be an act of default. If Respondent or Respondent Spouse does not comply with this Order, any
22 outstanding balance may be deemed in default and shall be immediately due and payable.

23 IT IS FURTHER ORDERED, that if Respondent or Respondent Spouse fails to comply
24 with this order, the Commission may bring further legal proceedings against Respondent and
25 Respondent Spouse, including application to the superior court for an order of contempt.

1 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
2 Order shall be deemed binding against any Respondent under this Docket Number who has not
3 consented to the entry of this Order.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

6 
7 CHAIRMAN

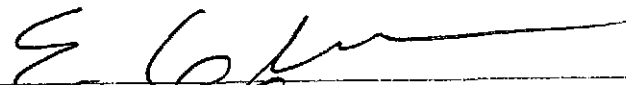

COMMISSIONER

8 
9 COMMISSIONER


COMMISSIONER

COMMISSIONER

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
12 Executive Director of the Arizona Corporation Commission,
13 have hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of
Phoenix, this 17th day of MAY, 2010.

15 
16 ERNEST G. JOHNSON
17 EXECUTIVE DIRECTOR

18
19 DISSENT

20
21 DISSENT

22 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA
23 Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

24 (AV)
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CONSENT TO ENTRY OF ORDER

1
2 1. Respondents PETERSON ("Respondent") and VIRGINIA PETERSON
3 ("Respondent Spouse") admit the jurisdiction of the Commission over the subject matter of this
4 proceeding. Respondent and Respondent Spouse acknowledge that Respondent and Respondent
5 Spouse have been fully advised of Respondent and Respondent Spouse's right to a hearing to
6 present evidence and call witnesses and Respondent and Respondent Spouse knowingly and
7 voluntarily waive any and all rights to a hearing before the Commission and all other rights
8 otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
9 Administrative Code. Respondent and Respondent Spouse acknowledge that this Order to Cease
10 and Desist, Order for Restitution, and Order for Administrative Penalties and Consent to Same
11 ("Order") constitutes a valid final order of the Commission.

12 2. Respondent and Respondent Spouse knowingly and voluntarily waive any right
13 under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
14 extraordinary relief resulting from the entry of this Order.

15 3. Respondent and Respondent Spouse acknowledge and agree that this Order is
16 entered into freely and voluntarily and that no promise was made or coercion used to induce such
17 entry.

18 4. Respondent and Respondent Spouse have been represented by an attorney in this
19 matter, Respondent and Respondent Spouse have reviewed this order with their attorney, Maureen
20 Beyers, Esq., and understand all terms it contains. Respondent and Respondent Spouse
21 acknowledge that their attorney has apprised them of their rights regarding any conflicts of interest
22 arising from dual representation. Respondent and Respondent Spouse acknowledge that they have
23 each given their informed consent to such representation.

24 5. Respondent and Respondent Spouse admit only for purposes of this proceeding and
25 any other proceeding in which the Commission is a party the Findings of Fact and Conclusions of
26 Law contained in this Order. Respondent and Respondent Spouse agree that they shall not contest

1 the validity of the Findings of Fact and Conclusions of Law contained in this Order in any present
2 or future proceeding in which the Commission is a party concerning the denial or issuance of any
3 license or registration required by the state to engage in the practice of any business or profession.

4 6. By consenting to the entry of this Order, Respondent and Respondent Spouse agree
5 not to take any action or to make, or permit to be made, any public statement denying, directly or
6 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
7 this Order is without factual basis. Respondent and Respondent Spouse will undertake steps
8 necessary to assure that all of their agents and employees understand and comply with this
9 agreement.

10 7. While this Order settles this administrative matter between Respondent, Respondent
11 Spouse and the Commission, Respondent and Respondent Spouse understand that this Order does
12 not preclude the Commission from instituting other administrative or civil proceedings based on
13 violations that are not addressed by this Order.

14 8. Respondent and Respondent Spouse understand that this Order does not preclude the
15 Commission from referring this matter to any governmental agency for administrative, civil, or
16 criminal proceedings that may be related to the matters addressed by this Order.

17 9. Respondent and Respondent Spouse understand that this Order does not preclude
18 any other agency or officer of the state of Arizona or its subdivisions from instituting
19 administrative, civil, or criminal proceedings that may be related to matters addressed by this
20 Order.

21 10. Respondent agrees that Respondent will not apply to the state of Arizona for
22 registration as a securities dealer or salesman or for licensure as an investment adviser or
23 investment adviser representative until such time as all restitution and penalties under this Order are
24 paid in full.

1 11. Respondent agrees that Respondent will not exercise any control over any entity that
2 offers or sells securities or provides investment advisory services within or from Arizona until such
3 time as all restitution and penalties under this Order are paid in full.

4 12. Respondent and Respondent Spouse agree that they will not sell any securities in or
5 from Arizona without being properly registered in Arizona as a dealer or salesman, or exempt from
6 such registration; they will not sell any securities in or from Arizona unless the securities are
7 registered in Arizona or exempt from registration; and they will not transact business in Arizona as
8 an investment adviser or an investment adviser representative unless properly licensed in Arizona
9 or exempt from licensure.

10 13. Respondent and Respondent Spouse agree that they will continue to cooperate with
11 the Securities Division including, but not limited to, providing complete and accurate testimony at
12 any hearing in this matter and cooperating with the state of Arizona in any related investigation or
13 any other matters arising from the activities described in this Order.

14 14. Respondent and Respondent Spouse acknowledge that any restitution or penalties
15 imposed by this Order are obligations of the Respondent as well as the marital community.

16 15. Respondent and Respondent Spouse consent to the entry of this Order and agree to
17 be fully bound by its terms and conditions.

18 16. Respondent and Respondent Spouse acknowledge and understand that if they fail to
19 comply with the provisions of the order and this consent, the Commission may bring further legal
20 proceedings against Respondent and Respondent Spouse, including application to the superior court
21 for an order of contempt.

22 17. Respondent and Respondent Spouse understand that default shall render Respondent
23 and Respondent Spouse liable to the Commission for its costs of collection and interest at the
24 maximum legal rate.

25 ...


26 ...

18. Respondent and Respondent Spouse agree and understand that if Respondent and Respondent Spouse fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. Respondent and Respondent Spouse agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by the Commission.


 RODNEY PETERSON

STATE OF ARIZONA)
) ss
 County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 21 day of April, 2010.


 NOTARY PUBLIC


My commission expires:

1-1-13


 VIRGINIA PETERSON

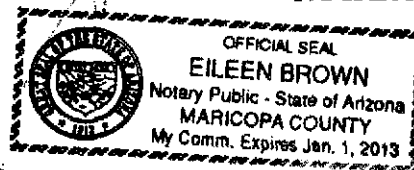
STATE OF ARIZONA)
) ss
 County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 21 day of April, 2010.


 NOTARY PUBLIC

My commission expires:

1-1-13



SERVICE LIST FOR:

ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME BY: RODNEY
PETERSON and VIRGINIA PETERSON

DOCKET NO.:

S-20648A-09-0010

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